the scheme. On Sunday night the War Risks Association of Shipowners were informed of the decision of the Government and invited their members, On Monday the Board of Trade took provisional action to furnish cover for the hulls of the vessels held up by war peril. On Tuesday, 4th August, I explained to the House of Commons what had been done and the reasons for our actions, and the scheme was adopted by Parliament and by the shipowners' associations. On the 5th, the first day we were at war, the State Cargo Insurance Office was opened in the public halls of the Cannon Street Hotel by officials of the Board of Trade with the co-operation of the underwriters. Our shipping began to move everywhere and my own immediate concern with this problem was for the time ended.

Scheme put into effect

During the following months, the Departments directly in touch with the shipping situation were those of the Admiralty, War Office, and Board of Trade. The biggest single factor in our problem was the great and growing number of vessels that were being requisitioned by the Transport Department for special war services, and thus withdrawn from general shipping services. By January, 1915, between 1,100 and 1,200 steamships had thus been diverted from their normal employment. Later on, when the Ministry of Munitions had been set up and begun to

Growing demands of Transport Department

function actively, its extensive requirements in the shape of imports of raw materials for National Controlled Factories, and of munitions ordered in America, distracted further vessels from general trade.

By degrees the responsibility of the Government for the control of shipping was perforce extended.